UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/729,910	12/04/2000	Andrew Torre	20627-000100US	7477

7590   06/24/2004

Philip H. Albert
Townsend and Townsend and Crew LLP
8th Floor
Two Embarcadero Center
San Francisco, CA 94111-3834

EXAMINER
SNAPP, SANDRA S

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 06/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<table>
<tr><td rowspan="2"></td><td colspan="2">**Application No.**
09/729,910</td><td>**Applicant(s)**
TORRE ET AL.</td></tr>
<tr><td colspan="2">**Examiner**
Sandra Snapp</td><td>**Art Unit**
3624</td></tr>
</table>

Office Action Summary

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>09 December 2000</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-33</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-33</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on <u>04 December 2000</u> is/are: a)☐ accepted or b)☒ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____.

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>6</u>.

4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Information Disclosure Statement

The information disclosure statement (IDS) submitted on 12-4-00 was filed in

compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure

statement has been considered by the examiner.

Drawings

The drawings are objected to because they are difficult to read and not readily capable of

being copied. A proposed drawing correction or corrected drawings are required in reply to the

Office action to avoid abandonment of the application. The objection to the drawings will not be

held in abeyance. The drawings are considered informal and acceptable for examination

purposes, but new, formal drawings must be submitted for consideration prior to allowance.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the
subject matter which the applicant regards as his invention.

Claims 1-23 and 26-27 are rejected under 35 U.S.C. 112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which

applicant regards as the invention.

Claims 1-23 are indefinite because the claims are directed to a "system" however from

the language of the claims, it is unclear whether "system" is meant to be an apparatus/structure

or a method. Clarification is required.

Claim 26 is indefinite because in line 11, the phrase "a fitness value" is confusing.

Which fitness value is being referred to in line 11, the *first* fitness value of line 5 in claim 25, or

the *new* fitness value of line 8 in claim 26?

Claim 27 is indefinite because it depends from rejected base claim 26.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or
any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
requirements of this title.

Claims 1-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed

to non-statutory subject matter. Claims 1-27 are directed to non-statutory subject matter because

they lack any recitation of technology in the body of the claims, which is required in order to

meet the statutory requirements. The Patent Office had taken the position that some form of

technology must be claimed in the body of the claim. The Board of Patent Appeals and

Interferences has stated that claims lacking any technology are "nothing more than [an] abstract

idea which is not tied to any technological art and is not a useful art as contemplated by the

Constitution." *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001)

(Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein

for its content and reasoning.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the

basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-33 are rejected under 35 U.S.C. 102(b) as being anticipated by the Debe et al.

patent (US5,758,097).

The Debe patent shows:

A voting system for determining a selected subset of participants from a plurality of

candidates, each of the participants having an equitable ownership interest of an item to

exchange for a contribution associated with each participant, the system comprising:

a plurality of candidate inputs configured to receive into the voting system a plurality of

preferences associated with each of the plurality of candidates (col. 10, lines 54-56); a plurality

of parametric inputs configured to receive a plurality of parameters (col. 10, lines 46-48); and

logic to determine the participants according to the plurality of preferences and the plurality of

parameters (col. 10, liens 49-50) (claim 1);

logic to determine a respective amount of the contribution by each of the participants

according to the plurality of preferences and the plurality of parameters (col. 10, lines 49-50)

(claim 2);

at least one parametric processor, the parametric processor coupled to receive at least one

of the plurality of parameters to generate a parametric output based upon the plurality of

preferences and the at least one of the plurality of parameters (col. 9, line 61 through col. 10, line 42) (claim 3);

at least one of the parametric processors further comprises a vote accumulator, the vote accumulator configured to receive a tentative subset of participants and at least one of the plurality of parameters, wherein the vote accumulator includes logic to determine and to provide a strength score for each of the plurality of candidates (col. 10, lines 57-67) (claim 4);

the strength score of each of the plurality of candidates is a total number of votes cast by a plurality of other candidates (col. 10, lines 63-67) (claim 5);

at least one of the parametric processors further comprises a mutual respect determinator, the mutual respect determinator configured to receive a tentative subset of participants and at least one of the plurality of parameters, wherein the mutual respect determinator includes logic to determine and to provide a mutual respect score between each of the participants relative to each of the other participants (col. 10, lines 25-42) (claim 6);

mutual respect between candidates is a number of votes mutually cast between each of the participants relative to each of the other participants (col. 10, liens 25-42) (claim 7);

a participant selector, the participant selector configured to receive a plurality of outputs from the plurality of parametric processors and a plurality of selector parameters, wherein the participant selector includes logic to determine and to provide the selected subset of participants having equitable ownership in the item (col. 10, lines 57-67) (claim 8);

the participant selector is further configured to provide a tentative subset of participants (col. 10, lines 25-42) (claim 9);

at least one of the plurality of selector parameters is a weighting factor (col. 2, lines 48-52) (claim 10);

a maximum number of participants (col. 11, lines 30-43) (claim 11);

a maximum number of votes available to each of the plurality of candidates (col. 11, lines 30-43) (claim 12);

an ownership determinator configured to receive a plurality of ownership determinator parameters and configured further to exchange information with the participant selector, wherein the ownership determinator includes logic to determine and to provide the pro rata equitable ownership interest of each of the number of participants, where each pro rata interest associated with each of the number of participants is within a diversification range (col. 11, lines 5-17) (claim 13);

a maximum ownership share limit and a minimum ownership share limit (col. 11, lines 5-43) (claim 14);

plurality of votes cast by each of the plurality of candidates for each of a plurality of other candidates (col. 10, lines 25-42) (claim 15);

a desired contribution amount which each of the plurality of candidates are to exchange if selected to participate (col. 9, lines 33-60) (claim 16);

a plurality of escrow accounts, wherein each of the plurality of escrow accounts are associated with the desired contribution from each of the plurality of candidates (col. 9, lines 33-60) (claim 17);

the item is an investment fund comprising shares of equitable ownership in stock (col. 9, lines 33-60) (claim 18);

A method for selecting a subset of participants from a plurality of candidates and a respective amount of a contribution associated with each participant, where the respective amount of the contribution is exchanged for an equitable ownership interest of an item by each of the subset of participants, the method comprising:

receiving a plurality of preferences associated with each of the plurality of candidates (col. 10, lines 54-56); receiving a plurality of parameters (col. 10, lines 46-48), and choosing the subset of participants, wherein the subset of participants are determined according to the plurality of preferences and the plurality of parameters (col. 10, lines 49-50) (claim 24);

defining an objective having a value representing an optimal combination, the optimal combination representing a best solution (col. 10, lines 54-56); determine a first fitness value associated with a first possible combination (col. 10, lines 46-48); and evaluating the first fitness value against the objective value to determine whether the first possible combination associated with the first fitness value is the optimal combination (col. 10, liens 49-58) (claim 25);

generating a population of a number of possible combinations of subset participants (col. 10, lines 57-67); selecting the first and a second possible combinations from the population (col. 11, lines 18-30); forming a new combination from the first and the second possible combinations by crossing-over a first portion from the first possible combination and a second portion from the second possible combination (col. 11, lines 18-30); evaluating a new fitness value against the objective value to determine whether the new possible combination associated with the new fitness value is the optimal combination (col. 11, lines 31-43), wherein a fitness value is based upon the strength score and the mutual respect score of the associated combination (col. 11, lines 31-43) (claim 26);

mutating either of the first or the second possible combinations (col. 11, lines 18-43) (claim 27);

A voting system for determining a selected subset of participants in an investment fund, each participant having an equitable ownership interest of the investment fund in exchange for a contribution of stock, the system comprising:

a plurality of candidate computing devices associated with at least one of a plurality of candidate investors configured to communicate a plurality of preferences of each of the plurality of candidate investors (col. 10, liens 54-56); a networked communication system configured to convey the plurality of candidate computing devices for communicating the plurality of preferences (col. 10, liens 54-56); and a processing platform configured to communicate via the networked communication system with the plurality of candidate computing devices, the processing platform including a fund manager computing device (Fig. 1A), a fund manager server and a fund manager database, where the fund manager computing device, the fund manager server and the fund manager database are cross-coupled to each other, wherein the processing platform selects participants to form the investment fund based upon the plurality of preferences and at least one of the parameters and maintains and updates a plurality of accounts comprising the investment fund in response to an event (col. 10, lines 49-50) (claim 28);

an escrow server, wherein the escrow server maintains data representing a number of stock shares is configured to transfer all or less than the number of stock shares to the processing platform after the processing platform selects participants in the investment fund (col. 9, lines 33-60) (claim 29);

A method of selecting a subset of participants in an investment fund from a plurality of candidate investors, each of the plurality of candidate investors associated with a contribution, wherein the method employs a voting system comprising at least one candidate computing device associated with at least one of the candidate investors electronically coupled to a fund manager processing platform via a networked communication system, the method of selecting participants comprising:

presenting a plurality of options to each of a plurality of candidate computing devices associated with each of a plurality of candidate investors (col. 9, lines 33-60); entering a plurality of preferences into the at least one candidate computing device by the at least one of the plurality of candidate investors (col. 10, lines 54-56); communicating the plurality of preferences between each of the plurality of candidate computing devices and the fund manager processing platform via the networked communication system (col. 10, lines 54-56); receiving the plurality of preferences into the fund manager processing platform (col. 9, lines 13-60); providing a plurality of parameters to the fund manager processing platform to govern which of the plurality of candidate investors are to be included in a subset of investment fund participants (col. 9, lines 13-60); generating the investment fund, the fund including a combination of the contributions from each of the subset of investment fund participants, where each of the subset of investment fund participants receives an equity ownership interest in exchange for the contribution (col. 11, lines 5-43), wherein the plurality of preferences and the plurality of parameters are used to select which of the plurality of candidate investors are to be included in the subset of investment fund participants and to determine a pro rata equitable ownership interest for each of the subset of investment fund participants (col. 10, lines 49-50) (claim 30);

determining a degree of strength associated with each one of the candidate investors,

wherein the degree of strength is based upon a number of votes each one of the candidate

investors receives from each of a plurality of the other candidate investors (col. 11, lines 18-30)

(claim 31);

determining a degree of mutual respect associated with each of the plurality of the

candidate investors selected to participate, wherein the degree of mutual respect between each of

the plurality of the candidate investors selected to participate is based upon a number of votes

exchanged between two or more of the participant investors (col. 10, lines 25-42) (claim 32); and

determining a degree of diversity associated with each of the plurality of the candidate

investors amongst the plurality of the other candidate investors, wherein the degree of diversity

is based upon a diversification range having a minimum share level and a maximum share level,

where each level is expressed as a percentage of a total fund value (col. 11, lines 30-43) (claim

33).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

Claims 20-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over the Debe

patent, as applied above, and further in view of the Vlahoplus publication (US 2002/0082961

A1).

The Debe patent discloses all the elements of the presently claimed invention except for:

the item is real property comprising shares of equitable ownership in real estate (claim

19);

the item is a business venture comprising shares of equitable ownership in a business

entity (claim 20);

the contribution by each of the number of participants includes shares of private equity

(claim 21);

the contribution by each of the number of participants includes an intellectual property

right (claim 22); and

the contribution by each of the number of participants includes real property (claim 23).

The Vlahopolus publication teaches that:

the item is real property comprising shares of equitable ownership in real estate (col. 11,

paragraph [0148]) (claim 19);

the item is a business venture comprising shares of equitable ownership in a business

entity (shares of stock – col. 11, paragraph [0148]) (claim 20);

the contribution by each of the number of participants includes shares of private equity

(shares of stock – col. 11, paragraph [0148]) (claim 21);

the contribution by each of the number of participants includes an intellectual property

right (col. 11, paragraph [0148]) (claim 22); and

the contribution by each of the number of participants includes real property (col. 11,

paragraph [0148]) (claim 23).

It would have been obvious to one of ordinary skill in the art at the time the invention

was made to have modified the Debe patent with the teachings of the Vlahoplus publication so as

to make the system more diverse and capable of handling various types of

properties/investments.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure. The Kalmus et al., Braddock, III, Zurstrassen, Durbin et al., Luskin et al., Jones et

al., Barr et al., Atkins, Ferstenberg et al., Maggioncalda et al., Albright et al., Harris et al.,

Hartnett, Rebane, Edelman, Kilian et al., Challener et al. and Sehr patents are all directed to

various types of electronic financial systems.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The

examiner can normally be reached on Mon.-Thurs..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the

organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

ss

SANDRA S. SNAPP
PATENT EXAMINER
GROUP 3600